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ABSTRACT

To examine some of the psychological issues inherent in the employee termination process and the role of the psychologist in addressing these issues, five-question surveys were completed by approximately 60 human resources administrators in business organizations and interviews were conducted with approximately 10 human resource managers. The results indicated that, on issues of concern to organizations terminating an employee, treating the individual with fairness received the highest ranking followed by concern over the threat of wrongful discharge suits, the impact on remaining employees, direct costs of termination, and the possibility of psychological problems. With respect to the terminated individual, organizations were most concerned with his loss of self-esteem, anger, inactivity in the job search, and marital and family problems. With respect to the terminating executive, organizations were concerned about avoidance of the problems and delays of the termination. As psychologically trained outplacement counselors or human resource executives, psychologists can: (1) help organizations understand the psychological implications of termination and formulate humane policies; (2) help terminating executives to understand their own anxieties and communicate more effectively; and (3) serve the terminated employee through the use of supportive counseling, therapy, assessment, and behavioral and learning strategies. (Survey questions and the prioritized list of responses are appended.) (NRB)

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"The Role of the Psychologist in the Employee Termination Process"

A Presentation by

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as part of a symposium entitled:

"Employee Workforce Reduction: Individual and Corporate Response and Problem Resolution"

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The American Psychological Association Convention

Los Angeles, California

August 23, 1985

The purpose of my presentation is to take a look at some of the psychological issues inherent in the termination process and the role of the psychologist in addressing them, primarily from our perspective as an outplacement consulting firm.

In our initial thinking about the psychological aspects of the employee termination process, we formulated some questions which we wanted to address. They are:

1. What psychological issues are of concern to organizations as they contemplate and implement decisions to lay off employees?

2. What expectations for assistance do organizations have of psychologically trained outplacement counselors?

3. How do psychologists/counselors evaluate the corporate concerns and response to the impact of termination?

4. What strategies can the psychologist employ to deal with the issues/concerns raised by organizations?

We will try to address these questions in the context of reviewing some survey data which we collected from human resource personnel in southern California. The survey dealt with the psychological implications of employee terminations. The survey was mailed to 300 individuals on our mailing list who are vice-presidents, directors, and managers of human resources in business organizations in southern California. Our return rate was approximately 20% giving us a few more than 60 responses. In preparing the data, the responses to each question have been weighted in order to provide an accurate ranking of the items. In addition to this survey data which forms the basis of our presentation, we will incorporate data from interviews with ten or more human resource managers.

I. With our first survey question we tried to assess the relative importance of a number of issues which we thought might be of concern to organizations as they contemplate the termination of an employee. The question and the prioritized list of responses is shown on the overhead and in Appendix A of the handout. Some comments are in order about the data.

   - Treating the individual with consideration and fairness received the highest ranking. Voting for this item is somewhat akin to supporting motherhood and apple pie. It is a socially desireable reponse. However, I do believe it also represents a genuine concern on the part of human resource personnel for the people who work in

their organizations. This may also reflect sound business thinking since treating people fairly is probably the best defense against a wrongful discharge claim which as you can see is the second most important concern.

- The threat of a wrongful discharge claim as you can see was ranked as the second most important concern. In the state of California and across the nation the courts are rewriting the law as it applies to the issue of employee termination and are substantially increasing the potential of employer liability by permitting a jury trial and the recovery of punitive damages in cases of a wrongfully discharged employee. Organizations are becoming increasingly sensitized to this issue and it shows in our survey.

- The impact on remaining employees and the direct costs of termination are ranked third and fourth respectively.

- The possibility of psychological problems is ranked last as a concern. While psychological concerns are frequently an issue in terminations, the results of our survey indicate that they are not seen by human resource professionals as a terribly important issue in and of themselves. It appears that the human resource professional looks at them more in the context of all the factors which impact a particular individual's concerns.

II. Our second question has to do with how organizations generally deal with psychological problems in those situations where they do regard them as important. The two primary responses of organizations to terminations where there is a concern for the psychological component are:

- First to provide help to the individual through an employee assistance program and,

- Secondly, to provide corporate outplacement services. It follows that outplacement firms need to be in a position to address those concerns. It also suggests that there is an important role to be played by the psychologist in the field of outplacement. That role will need to be defined by psychologists in cooperation with business professionals. We should not expect business organizations to initiate the dialogue nor define for us what that role should be. Rather, the business community will look for and give business to those firms and individuals who demonstrate a high level of professionalism which will include, as one interviewee suggested, being "practical psychologists."

III. Our third question has to do with psychologically related issues of most concern to the respondents as they thought about the reactions of a terminated employee. Some comments are in order with respect to this issue.

- o First concern is the loss of self esteem. In our culture we have allowed what we do rather than who we are to so determine our sense of value that the loss of a job in many cases represents a loss of our value and identity and leads to a significant loss of self esteem. It is important then for the terminated individual to:

  1. be able to interpret the most recent traumatic event in the context of other life achievements and accomplishments in order for that person to be reminded of his or her value in a larger context

  2. to be in a supportive counseling relationship with someone who is willing to be his or her advocate, to provide the necessary support.

- o The second most important concern is anger on the part of the terminated individual. Since this is a major concern, it is incumbent upon the person counseling this individual to have some ability and training to deal with anger and other difficult emotions.

- o The third most important concern is inactivity in the job search. This would often be an outgrowth of the fifth greatest concern: depression. In this case a behaviorally oriented, fairly structured program aimed at reducing ambiguity and outlining activities in doable steps would be helpful for those individuals whose tendency would be to get depressed and give up.

- o A fourth major concern is marital and family problems. This would suggest that any program designed to help the terminated individual should provide some opportunity for involving the spouse in the helping process and giving him or her an opportunity to work through issues of importance to him or her. Thus, the helping person should have some facility and sensitivity to interpersonal dynamics and family issues.

IV. Our fourth question has to do with the behavior of the terminating executive and which behaviors as observed by the respondents occur most frequently. You can see from the overhead how the items are ranked. Some comments are appropriate:

- Delaying the termination is ranked as the most commonly observed behavior by the respondents. This is a good illustration of avoidance behavior. Obviously, telling someone that they no longer have a job has the potential for many different negative side effects which each of us would normally want to avoid.

- The second most observed behavior is communicating poorly so that the issue is left unclear and unresolved. This suggests that more executives who have the responsibility for telling another person that he or she no longer has a job should take the time to practice what they are going to say. This can be done with help from internal employee relations people or with the help of an outplacement consultant whose business it is to help resolve these situations effectively.

- The least observed behavior is that of punitive terminations and separations. This suggests that the breed of Theory X managers may finally be retiring and that more enlightened managers may be taking their places.

V. Our fifth question concerns the most commonly observed response on the part of remaining employees to the termination of a coworker.

- Relief is the most common response observed among remaining employees. This reaction is most understandable as a reaction to a reduction of the tension and ambiguity of which many employees are aware. Employees are often aware that something is up, that things are not right, that something must be done. When action is taken, the issue seems to be resolved and relief ensues. This reaction can take many forms depending upon the particular situation.

- Cutting off all relationship with the person and negative attitude towards the company were second and third ranked about equally. Cutting off relationship reduces feelings of discomfort for both parties and may prevent the terminated individual from nurturing illusions about being able to return. However, it also operates to cut the individual off from a major support system just when a lot of support is necessary. Negative attitudes towards the company are most likely to develop when the individual is well-liked and/or perceived as having been treated unfairly by the company.

- Other reactions indicated by some respondents were fear that it would happen to the remaining employees and sympathy for the terminated individual.

Perhaps we could come back then to our original questions and formulate some response:

The first question: what psychological issues are of concern to organizations as they contemplate and implement decisions to layoff employees?

- First of all, we can say that psychological issues per se are not a primary concern of organizations. They are ranked below fairness, threat of wrongful discharge suits, impact on remaining employees, and direct cost of the termination in order of importance.

- Secondly, with respect to the terminated individual organizations are most concerned with loss of self-esteem, anger, inactivity in the job search, marital and family problems.

- Finally, with respect to the terminating executive they are most concerned about avoidance of the problem and delays of the termination.

The second question: "What expectations for assistance do organizations have of psychologically trained outplacement counselors?"

- On the basis of our experience and a limited number of interviews it is my feeling that human resource executives do not have clear expectations for the kind of help they want from psychologically trained outplacement counselors. Some other data from our survey do indicate that the most critical factor in the selection of an outplacement firm is the "professionalism of staff." This suggests that users of outplacement services want professionals who are expert and highly skilled in dealing with the multiplicity of issues which can arise in the case of a terminated executive. The issues include but are not limited to: emotional responses, stress reactions, assessment of skills, interests and attributes, resume writing, job search, interviewing, behavioral patterns, management style and so on. Psychologists with their knowledge of personality dynamics, interpersonal relations and their training in assessment and intervention strategies are in a particularly good position to address many of the problems. However, I believe the burden is on psychologists to educate the business community regarding the unique contribution which we have to make.

The third questions is: How do psychologists/counselors evaluate the corporate concerns and response to the impact of termination?

- Many organizations and executives in organizations have a very mature, enlightened, and highly responsible approach to the issue of termination. They try to be fair, present the business case for such decisions, give adequate lead time in notifying individuals, engage in pre-termination performance counseling, assume a good share of the responsibility for a person's failure in a job, and explore other options such as demotion prior to termination, and provide outplacement and adequate severance if termination happens.

- On the other hand, some organizations and executives are immature and irresponsible in handling these issues. They fail to give adequate explanation and insufficient lead time for the action; in some cases executives may use layoffs to settle an old score with someone who has always been a thorn in the side; some executives are more concerned with their own comfort level and will do the deed only after lunch and a few drinks or on Friday afternoon right before the weekend; others will cut the employee off with very little severance pay and no assistance in helping him or her get the job search off to an effective start.

Finally, the fourth question is: What strategies can the psychologist employ to deal with the issues/concerns raised by organizations?

As a psychologically trained outplacement counselor or as a human resource executive, psychologists are in a position to:

- help organizations understand the psychological implications of terminations and formulate policies aimed at a humane separation of an individual from the organizations.

- work with terminating executives to help them understand their own anxieties regarding this issue and to practice more effective communication and implementation of their decisions.

- work with the terminated employee

  - to provide supportive counseling in the face of one of life's most stressful events

  - to use one's therapeutic skills to work through the emotions and dynamics associated with this event

- to use assessment skills to help the individual assess whether there is a "good fit" between the candidate's style and skills and a particular position

- to use behavioral and learning strategies to structure the job campaign so as to guarantee success

Most of the skills taught psychologists having to do with assessment and intervention can be applied to the problems of the individual who has been terminated. It is up to the psychologist, however, to get him- or herself in a position where those skills can be utilized.

APPENDIX A

1. In considering the termination of an executive/managerial level employee, how would your organization rank the relative importance of the following concerns?

Treating the Individual with Consideration and Fairness	260
Threat of Wrongful Discharge Claim	200
Impact on Remaining Employees	150
Direct Costs of Termination	121
Possibility of Psychological Problems	109

2. If you indicated "Possibility of Psychological Problem" as a concern in Question 1, how does your organization generally deal with that concern?

Provide Help Through an Employee Assistance Program	34
Provide Corporate Outplacement Services	31
Point Out Concern to Employee and Recommend He/She Seek Help of Own Choice Using Benefit Programs	18
Do Nothing Unless Concern is Very Serious and Immediate	13

3. About which of the following psychologically related issues are you most concerned as you think about the reactions of the terminated employee?

Loss of Self-Esteem	369
Anger	260
Inactivity in Job Search	240
Marital & Family Problems	228
Depression	207
Exacerbation of Existing Medical Problems	163
Procrastination	121
Substance Abuse	118
Suicide	43

4. In observing and dealing with executives who must terminate others, which of the following problems occur most frequently?

Delaying the termination	232
Communicating poorly leaving the issue unclear and unresolved	229
Compromising the resolution such as by retention or rehiring	121
Being insensitive to human issues: friendship, loyalty, appreciation for contribution, etc.	120
Conducting punitive terminations and separations	67

5. In your experience, what is the most common response to the termination by remaining employees who knew the terminated individual?

Relief	106
Cutting off all relationship with the terminated employee	69
Negative attitude towards the company	56
Fear	15
Sympathy	14
Curiosity	4